

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF STANTON	County HOUGHTON
Fiscal Year End MARCH 31 2007	Opinion Date SEPT 07 2007	Date Audit Report Submitted to State SEPTEMBER 30 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

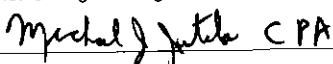
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) JUTILA JORGENSON & ASSOCIATES P C		Telephone Number 906-482-2358	
Street Address PO BOX 175		City HOUGHTON	State MI
Authorizing CPA Signature  CPA		Printed Name MICHAEL J JUTILA	License Number 024074

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Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
September 07, 2007

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the TOWNSHIP OF STANTON, MICHIGAN as of March 31, 2007 and for the year then ended, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the TOWNSHIP OF STANTON'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the statements applicable to financial audits contained in the Government Auditing Standards, used by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the TOWNSHIP OF STANTON at March 31, 2007 and the results of its operations and respective changes in financial position and the cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated September 07, 2007, on our consideration of the TOWNSHIP OF STANTON, MICHIGAN'S internal control structure and its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the table of contents is presented for purposes of additional analyses and is not a required part of the financial statements of the TOWNSHIP OF STANTON, MICHIGAN. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.

Jutla, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
September 07, 2007

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report on Compliance and Other Matters and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards

We have audited the financial statements of the TOWNSHIP OF STANTON, MICHIGAN as of and for the year ended March 31, 2007 and have issued our report thereon dated September 07, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TOWNSHIP OF STANTON, MICHIGAN'S financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Governmental Auditing Standards

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the TOWNSHIP OF STANTON, MICHIGAN'S internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses. However, we noted

other matters involving the internal control over financial reporting, which we have reported to the management of the TOWNSHIP OF STANTON, MICHIGAN in a separate letter dated September 07, 2007. This report is intended for the information of the Township Board, management, and state awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully Submitted,

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.

TOWNSHIP OF STANTON, MICHIGAN

Management's Discussion and Analysis FY 2006-2007

The management, Board and Finance Committee members of the Township of Stanton present this overview and analysis of the finances of the Township of Stanton for the fiscal year ended March 31, 2007. It is presented for the broad purpose of providing additional information and insight into the financial statements and activities of the Township of Stanton and should be read in conjunction with the financial statements and the notes to the financial statements.

Financial Highlights

- **General Fund revenue reduction:** Overall general fund revenue was down from the previous fiscal year by \$71,274.
- **Fire Department purchases:** \$51,509 for turn out gear, and additional equipment. This was accomplished with Federal and State grants totaling \$34,800 and expenditure from Fire surplus funds.
- **Capital Outlay:** Improvements amounting to approximately \$19,589 were made to the boat launch, and township parks and buildings. This money came from surplus funds in the General Fund.
- **Freida Waste Disposal Project:** The Township received \$86,000 of loan proceeds in February of 2007 and the project is proceeding as expected.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Stanton statements. The Township of Stanton's basic financial statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township of Stanton finances, in a manner similar to a private-sector to a private-sector business.

The *statement of net assets* presents information on all of the Township of Stanton assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township of Stanton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township of Stanton include public safety, public works, recreation and culture and general administrative services. The business-type activities of the Township of Stanton include sewer services.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Stanton, like other state or local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Township of Stanton can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township of Stanton maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and change in the fund balances for the General Fund, Road Fund, and Fire Fund which are considered to be major funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement had been provided for the general fund and the other major funds to demonstrate compliance with this budget.

Proprietary funds. The Township of Stanton maintains one proprietary fund. Enterprise funds are used to report the same functions presents as *business type activities* in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer activity.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township maintains one fiduciary fund, the tax collection agency fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's activities.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Township of Stanton, assets exceeded liabilities by \$1,080,599 at the close of the most recent fiscal year. A significant portion of the Township's net assets (34 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Township used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Township's Net Assets

	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 695,936	\$ 24,189	\$ 720,125
Capital Assets	415,229	93,439	508,668
Total Assets	1,111,165	117,628	1,228,793
Long-term Liabilities	12,916	85,000	97,916
Other Liabilities	41,057	9,221	50,278
Total Liabilities	53,973	94,221	148,194
Net Assets:			
Invested in Capital Assets net of Related Debt	366,099	(782)	365,317
Unrestricted	691,093	24,189	715,282
Total Net Assets	1,057,192	23,407	1,080,599

Unrestricted net assets (\$715,282) may be used to meet Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balance in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$664,421.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance was \$315,750.

The fund balance of the Township's general fund decreased by \$30,955 during the current fiscal year.

Proprietary funds. The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of Sewer fund at the end of the year amounted to \$24,189.

General Fund budgetary highlights

Differences between the original budget and the final amended budget were immaterial.

Capital Asset and Debt Administration

Capital Assets. The Township's investments in the capital assets for its governmental and business type activities as of March 31, 2007, amount to \$508,668 (*net of accumulated depreciation*). This investment in capital assets includes: land, buildings and system improvements, machinery and equipment, park facilities, etc.

Details of the Township's capital assets are in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the Township had total installment debt outstanding of \$135,130. Of this amount, \$49,130 comprises debt backed by the full faith and credit of the government and \$86,000 represents bonds secured by specified revenue sources.

Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget may mean further reductions in the state-shared revenues. State shared revenues are expected to remain even or decrease in the 2007-2008 fiscal year. The Township budgeted for

a decrease in state-shared revenue. This factor was considered in preparing the Township's budget for the 2007-2008 fiscal years.

Requests for Information

This financial report is designed to provide a general overview of the Township of Stanton's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Township's Clerk Office:

John Botto, Township Clerk
Township of Stanton
14010 Limingo Road
Atlantic Mine, Mi 49905
(906)482-8319

TOWNSHIP OF STANTON, MICHIGAN
Statement of Net Assets
As of March 31, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 660,422	\$ 14,903	\$ 675,325
Receivables	35,514	-	35,514
Restricted cash	-	9,286	9,286
Capital assets:			
Land	203	19,849	20,052
Other capital assets, net of depreciation	415,026	73,590	488,616
Total capital assets	<u>\$ 415,229</u>	<u>\$ 93,439</u>	<u>\$ 508,668</u>
Total assets	<u>\$ 1,111,165</u>	<u>\$ 117,628</u>	<u>\$ 1,228,793</u>
Liabilities			
Accounts payable and accrued expenses	\$ 4,843	\$ 8,221	\$ 13,064
Long-term liabilities:			
Due within one year	36,214	1,000	37,214
Due in more than one year	12,916	85,000	97,916
Total Liabilities	<u>\$ 53,973</u>	<u>\$ 94,221</u>	<u>\$ 148,194</u>
Net Assets			
Invested in capital asset, net of related debt	\$ 366,099	\$ (782)	\$ 365,317
Unrestricted	691,093	24,189	715,282
Total Net Assets	<u>\$ 1,057,192</u>	<u>\$ 23,407</u>	<u>\$ 1,080,599</u>

** The accompanying notes to financial statements are an integral part of this statement

Township of Stanton, Michigan
Statement of Activities
Year Ended March 31, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary Government:							
Governmental activities:							
General Government	\$ 118,504	\$ 10,703	\$ -	\$ -	\$ (107,801)	\$ -	\$ (107,801)
Public Safety	53,698	3,014	-	34,800	(15,884)	-	(15,884)
Public Works	2,426	-	-	-	(2,426)	-	(2,426)
Culture and Recreation	20,251	6,180	-	-	(14,071)	-	(14,071)
Other	-	-	-	-	-	-	-
Interest on long-term debt	1,808	-	-	-	(1,808)	-	(1,808)
Total governmental activities	\$ 196,687	\$ 19,897	\$ -	\$ 34,800	\$ (141,990)	\$ -	\$ (141,990)
Business-type activities:							
Sewer	\$ 4,196	\$ 7,580	\$ -	\$ -	\$ -	\$ 3,384	\$ 3,384
Total business-type activities	\$ 4,196	\$ 7,580	\$ -	\$ -	\$ -	\$ 3,384	\$ 3,384
Total government	\$ 200,883	\$ 27,477	\$ -	\$ 34,800	\$ (141,990)	\$ 3,384	\$ (138,606)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					\$ 196,489	\$ -	\$ 196,489
Grants and contributions not restricted to specific programs					97,854	-	97,854
Unrestricted investment earnings					18,466	352	18,818
Miscellaneous					15,581	-	15,581
Transfers					-	-	-
Total general revenues, special items, and transfers					\$ 328,390	\$ 352	\$ 328,742
Change in net assets					\$ 186,400	\$ 3,736	\$ 190,136
Net assets, beginning					870,792	19,671	890,463
Net assets, ending					\$ 1,057,192	\$ 23,407	\$ 1,080,599

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Government Funds
Balance Sheet
AS OF MARCH 31, 2007

	General Fund	Road Fund	Fire Fund	Total
<u>ASSETS</u>				
Cash	\$ 315,388	\$ 274,372	\$ 70,662	\$ 660,422
Receivables (net of allowance for doubtful accounts):				
Taxes	9,581	5,843	5,636	21,060
Due from other funds	3,323	4,385	4,224	11,932
Due from other governmental units	6,913	-	-	6,913
<i>Total Assets</i>	<u>\$ 335,205</u>	<u>\$ 284,600</u>	<u>\$ 80,522</u>	<u>\$ 700,327</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	\$ 4,088	\$ -	\$ 755	\$ 4,843
Due to other funds	4,391	-	-	4,391
Deferred revenue	10,976	7,990	7,706	26,672
<i>Total Liabilities</i>	<u>\$ 19,455</u>	<u>\$ 7,990</u>	<u>\$ 8,461</u>	<u>\$ 35,906</u>
<u>FUND EQUITY</u>				
Fund Balance:				
Unreserved	\$ 315,750	\$ 276,610	\$ 72,061	\$ 664,421
<i>Total Fund Equity</i>	<u>\$ 315,750</u>	<u>\$ 276,610</u>	<u>\$ 72,061</u>	<u>\$ 664,421</u>
	<u>\$ 335,205</u>	<u>\$ 284,600</u>	<u>\$ 80,522</u>	<u>\$ 700,327</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
YEAR ENDED MARCH 31, 2007

	Governmental Fund Types			
	General Fund	Road Fund	Fire Fund	Total
Revenues:				
Taxes	\$ 60,444	\$ 69,347	\$ 66,899	\$ 196,690
Licenses and permits	1,154	-	-	1,154
Federal grants	-	-	32,300	32,300
State grants	92,780	5,074	2,500	100,354
Interest and rents	9,586	8,149	731	18,466
Charges for services	16,883	-	3,014	19,897
Other revenue	12,895	-	1,532	14,427
Total Revenue	\$ 193,742	\$ 82,570	\$ 106,976	\$ 383,288
Expenditures:				
Legislative	\$ 39,818	\$ -	\$ -	\$ 39,818
General government	85,773	-	-	85,773
Public safety	7,583	-	68,881	76,464
Public works	67	873	-	940
Recreation and culture	29,546	-	-	29,546
Other expenditures	-	-	36,801	36,801
Total Expenditures	\$ 162,787	\$ 873	\$ 105,682	\$ 269,342
EXCESS OF REVENUES (EXPENDITURES)	\$ 30,955	\$ 81,697	\$ 1,294	\$ 113,946
Other financing sources (uses):				
Loan proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers from other funds	-	-	-	-
Operating transfers to other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -
NET CHANGE IN FUND BALANCE	\$ 30,955	\$ 81,697	\$ 1,294	\$ 113,946
Fund Balance Beginning of Year	284,795	194,913	70,767	550,475
Fund Balance End of Year	\$ 315,750	\$ 276,610	\$ 72,061	\$ 664,421

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
Governmental Activities on the Statement of Net Assets
March 31, 2007

Fund - balances - total governmental funds	\$ 664,421
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Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Add- capital assets, net	415,229
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Certain taxes are not recognized as revenue in the governmental funds
because they are not available to pay correct year expenditures

Add- deferred revenue	26,672
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Certain Liabilities, such as bonds payable, are not due and payable in the
current period and therefore are not reported in the funds.

Deduct- loans payable	<u>(49,130)</u>
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Net Assets of governmental activities	<u><u>\$ 1,057,192</u></u>
---------------------------------------	----------------------------

** The accompanying notes to financial statements are an integral part of this statement

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add- capital assets	74,902
Deduct- depreciation expense	(37,240)
<p>Certain taxes are not recognized as revenue in the governmental funds because they are not available to pay current year expenditures.</p>	
Deduct - decrease in deferred revenue	(201)
<p>Loan proceeds are revenue in the governmental funds but are recorded as a liability in the statement of net assets</p>	
	-
<p>Repayment of loan principal is an expenditure in the government funds but is recorded as a reduction of a liability in the statement of net assets</p>	
	<u>34,993</u>
Change in net assets of governmental activities	<u>\$ 186,400</u>

** The accompanying notes to financial statements are an integral part of this statement

**TOWNSHIP OF STANTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF MARCH 31, 2007**

	<u>Enterprise Fund</u> <u>Sewer</u>
Assets	
Current Assets:	
Cash	\$ 14,903
Accounts Receivable	-
Total Current Assets	<u>\$ 14,903</u>
Plant, Property and Equipment	
Sewer Project - Engineering, Legal, Administrative fees, and Land	<u>\$ 93,439</u>
Other Assets	
Restricted Cash	<u>\$ 9,286</u>
Total Assets	<u><u>\$ 117,628</u></u>
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 8,221
Current Maturity on Long Term Debt	1,000
Total Current Liabilities	<u>\$ 9,221</u>
Long Term Liabilities	
Notes Payable	\$ 86,000
Less: Current Maturity	(1,000)
Total Long Term Liabilities	<u>85,000</u>
Total Liabilities	<u>\$ 94,221</u>
Net Assets	
Unrestricted	<u>\$ 23,407</u>
	<u><u>\$ 178,221</u></u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2007

	Enterprise Fund
	Sewer
Operating Revenue	
Charges for services	\$ 7,580
Total Operating Revenue	\$ 7,580
Operating Expense	\$ 4,196
Net Income From Operations	\$ 3,384
Non-Operating Revenues:	
Interest	\$ 352
Net Income	\$ 3,736
Net assets - beginning	19,671
Net assets - ending	\$ 23,407

** The accompanying notes to financial statements are an integral part of this statement

**TOWNSHIP OF STANTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2007**

	<u>Enterprise Fund</u> <u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 8,420
Cash payments to suppliers for goods and services	(58,262)
NET CASH PROVIDED BY OPERATING EXPENSES	<u>\$ (49,842)</u>
CASH FLOWS FROM NON - CAPITAL FINANCING ACTIVITIES	
Transfer in	\$ -
Transfer out	-
NET CASH PROVIDED (USED) BY NON - CAPITAL FINANCING ACTIVITIES	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from federal grants	\$ -
Proceeds from donations	-
Proceeds from long-term debt	86,000
Acquisition of capital assets	(37,022)
Principal paid on long-term debt	-
Interest paid on long-term debt	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 48,978</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	\$ 352
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (512)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>15,415</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 14,903</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ 3,384
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	-
Change in assets and liabilities:	
Accounts receivable	840
Restricted cash	(9,286)
Due from other funds	-
Accounts payable	(34,780)
Due to other funds	(10,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (49,842)</u>

** The accompanying notes to financial statements are an integral part of this statement

**TOWNSHIP OF STANTON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
FOR YEAR ENDED MARCH 31, 2007**

	<u>Trust and Agency</u>
<u>ASSETS</u>	
Cash in bank	\$ 52,179
Total Assets	<u>\$ 52,179</u>
 <u>LIABILITIES</u>	
Due to other funds	\$ 7,541
Due to others	44,638
Total Liabilities	<u>\$ 52,179</u>

** The accompanying notes to financial statements are an integral part of this statement

TOWNSHIP OF STANTON, MICHIGAN
Notes to Financial Statements
YEAR ENDED MARCH 31, 2007

NOTE A – THE FINANCIAL REPORTING ENTITY

The Township of Stanton, Michigan, is located in Houghton County Michigan. The Township operates under an elected Township Board of five (5) members and provides services, assistance and care to its residents.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

The Township complies with Generally Accepted Accounting Principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from the business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the governmental-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Proprietary fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The various funds are grouped in the financial statements into four generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments of major capital projects) that are legally restricted to expenditures for specified purposes.

Agency Fund

The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Township holds for others in an agency capacity.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CASH

Deposits are carried at a cost. Deposits are in two financial institutions in the name of the Township of Stanton, Michigan.

SURPLUS FUNDS

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan association; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications with mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy as required by Act 196 PA 1997 has been adopted by the board. The Township's deposits and investments are in accordance with statutory authority. All of the Township's surplus funds are in bank savings accounts and certificates of deposit.

The Governmental Accounting Standards Board (GASB) Statement No.3 and GASB Statement No. 40 risk disclosures for deposits at year-end are as follows:

	<u>Carrying Amount</u>
Total Deposits	<u>\$ 736,690</u>
	<u>Bank Balance</u>
Total Deposits	<u>\$ 746,439</u>

At year-end, the carrying amount of the Township's deposits was \$736,690 and the balance per bank was \$746,439. Of the bank balance, approximated 27% was covered by federal depository insurance according to FDIC regulations.

ACCOUNTS RECEIVABLE

Accounts receivable in the government-wide Statement of Net Assets, included \$7,541 due from the Fiduciary Fund.

INVENTORY

Inventories are not significant and have not been recognized in any of the funds.

Capital Assets – Capital assets, which include property, equipment, and infrastructure assets (roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated

useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Before March 1, 2004, infrastructure assets were not capitalized. Infrastructure assets acquired since March 1, 2004 are recorded at cost.

Property and equipment is being depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 to 40 Years
Land Improvements	20 Years
Infrastructure	40 Years
Vehicles	5 to 20 Years
Equipment	5 to 10 Years

Capital asset activity for the year ended March 31, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 203	\$ -	\$ -	\$ 203
Other capital assets				
Land Improvements	\$ 5,582	\$ 10,325	\$ -	\$ 15,907
Buildings and Improvements	155,460	12,264	-	167,724
Infrastructure	90,437	-	-	90,437
Equipment and Vehicles	365,251	52,313	-	417,564
Total capital assets being depreciated	<u>\$ 616,730</u>	<u>\$ 74,902</u>	<u>\$ -</u>	<u>\$ 691,632</u>
Less accumulated depreciation				
Land Improvement	\$ (558)	\$ (537)	\$ -	\$ (1,095)
Building and Improvement	(80,927)	(3,800)	-	(84,727)
Infrastructure	(4,338)	(2,260)	-	(6,598)
Equipment and Vehicles	(153,543)	(30,643)	-	(184,186)
Total accumulated depreciation	<u>\$ (239,366)</u>	<u>\$ (37,240)</u>	<u>\$ -</u>	<u>\$ (276,606)</u>
Governmental activities, capital assets, net	<u>\$ 377,567</u>	<u>\$ 37,662</u>	<u>\$ -</u>	<u>\$ 415,229</u>
Business-type activities				
Capital assets not being depreciated				
Land	\$ -	\$ 19,849	\$ -	\$ 19,849
Other capital assets				
Sewer System- Engineering, Legal and Administrative fees	<u>\$ 56,417</u>	<u>\$ 17,173</u>	<u>\$ -</u>	<u>\$ 73,590</u>
Less accumulated depreciation				
Sewer System- Engineering, Legal and Administrative fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities, capital assets, net	<u>\$ 56,417</u>	<u>\$ 37,022</u>	<u>\$ -</u>	<u>\$ 93,439</u>
Depreciation expense was charged to programs as follows:				
Governmental Activities				
Legislative	\$ 297			
General Government	4,420			
Public Safety	28,743			
Recreation	2,294			
Public Works	1,486			
Total Governmental Activities	<u>\$ 37,240</u>			
Business-type activities				
Sewer	<u>\$ -</u>			

ACCRUED EMPLOYEE PAID TIME OFF

The Township does not allow employees to accumulate unused vacation or sick leave.

INTERFUND LOANS

Interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources."

PENSION PLAN

The Township has a defined contribution retirement plan covering all elected officials. The Township's contribution for all funds amounted \$4,459 for the year ended March 31, 2007. The funds vest immediately. The premium due under the policy, which is paid totally by the Township, is based on the elected official's income level. No actuarial information is available for the plan.

USE OF ESTIMATES IN FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – LONG-TERM DEBT

In July of 2004, the Township borrowed \$40,485 from the bank to purchase a fire truck and equipment. The Township also borrowed \$34,515 to purchase a fire station. Repayment on both loans will begin April 1, 2005 and continue annually until April 1, 2007. Both loans carry an interest rate of 2.85%. Interest from July 2006 through March 2007 has been accrued and reported as an accrued expense in the Fire Fund.

In June of 2005, the Township borrowed \$42,000 from the bank to help purchase a Hurricane Pumper truck. The loan will be repaid with monthly payments of \$945 beginning July 2005 and ending June 2009. The applicable interest rate is 3.80%

In February of 2007, the Township received \$86,000 of a total \$123,000 revenue bond to construct a sewer disposal system. Repayment will begin July 1, 2007 and continue semi-annually through January 1, 2047. The applicable interest rate is 4.125%

The individual long-term debt and other general long-term obligations of the Township of Stanton and the changes therein, may be summarized as follows:

	Balance March 31, 2006	Additions	Deductions	Balance March 31, 2007
Fire Fund				
Equipment	\$ 27,184	\$ -	\$ 13,370	\$ 13,814
Building	\$ 23,175	\$ -	\$ 11,398	\$ 11,777
Equipment	\$ 33,764	\$ -	\$ 10,225	\$ 23,539
Sewer Fund				
Sewer Disposal System	\$ -	\$ 86,000	\$ -	\$ 86,000
Total	\$ 84,123	\$ 86,000	\$ 34,993	\$ 135,130

Maturities on long-term debt are as follows:

Year ending March 31, 2008	\$ 37,214
Year ending March 31, 2009	12,036
Year ending March 31, 2010	2,880
Year ending March 31, 2011	1,000
Year ending March 31, 2012	1,000
Thereafter	81,000
TOTAL	\$ 135,130

NOTE D – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the General Purpose Financial Statements – Overview, of certain information concerning individual funds including:

Selected financial information for the sewer fund for the year ended March 31, 2007 is presented as follows:

Operating Revenue	\$ 7,580
Operating Expenses	4,196
Depreciation	-
Operating Income (Loss)	3,384
Net Income (Loss)	3,736
Fixed Asset Additions	37,022
Net Working Capital	5,682
Total Assets	117,628
Total Equity	23,407

Fiscal year and Budget definition

The Township charter establishes the fiscal year as the twelve-month period beginning April 1. The board's finance committee prepares a draft of the budget, which is then finalized by the full board. After a public hearing is held, the board adopts the budget legally.

Budgeted amounts are as originally adopted or as amended by the Township Board. The budget is on a basis that is consistent with generally accepted accounting principles, thus no reconciliation between the budget basis and GAAP basis is necessary.

In the body of the financial statements, the Township's original and final budgeted and actual expenditures have been shown on a functional basis. The approved budgeted of the Township for the budgetary funds were adopted to the functional level.

Excess Township expenditures

During the year ended February 28, 2007, the Township did not incur expenditures that were in excess of the amounts appropriated in any budgeted fund.

Deficit fund balances

Deficit fund balances or retained earnings balances of individual funds. There were no funds which had deficit fund balances or retained earnings balance as of March 31, 2007.

Interfund Receivables

The amount of Interfund receivables and payables at March 31, 2007 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General	\$ 3,323	Trust and Agency	\$ 3,323
<i>Subtotal</i>	<u>\$ 3,323</u>	<i>Subtotal</i>	<u>\$ 3,323</u>
Road	\$ 4,385	Trust and Agency	\$ 2,147
<i>Subtotal</i>	<u>\$ 4,385</u>	General	2,238
		<i>Subtotal</i>	<u>\$ 4,385</u>
Fire	\$ 4,224	Trust and Agency	\$ 2,071
<i>Subtotal</i>	<u>\$ 4,224</u>	General	2,153
		<i>Subtotal</i>	<u>\$ 4,224</u>
<i>Total</i>	<u>\$ 11,932</u>	<i>Total</i>	<u>\$ 11,932</u>

NOTE E – PROPERTY TAX

Property taxes are levied twice a year. The taxes are collected by the local units of government within the Township and periodically remitted to other governmental entities during the collection period. It is Houghton County's policy, through its Internal Service 100% Tax Payment Fund, to purchase delinquent real property taxes and special assessments each year to afford 100% collection of the current levy to Stanton Township.

The tax rate to finance general government services for the year ended March 31, 2007 was 1.24670 per \$1000 of assessed valuation. The present taxable valuation is \$34,099,182.

NOTE F – RISK MANAGEMENT

The Township of Stanton is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the last three years.

NOTE G – CONTINGENCY

During the fiscal year ending March 31, 2006, the Township sold dirt fill from township property to a private company. An adjacent property owner claims her land was damaged during the dirt fill removal and is suing the township and the private company for approximately \$30,000 in damages. This case has not been resolved as of March 31, 2007. The outcome of this case cannot be predicted at this time. The Township believes their insurance will cover any potential damages.

NOTE H – SEWAGE DISPOSAL SYSTEM

The Township is in the process of planning and constructing a sewage disposal system for the Freida area. The costs of the project total \$471,000 and are to be financed by a \$123,000 bond, \$326,000 grant, and \$22,000 of local participation. The Township is in the process of setting up restricted cash accounts in the sewer fund as required by the bond agreement.

Land for the project has been purchased. Engineering, legal, and administrative work has been completed and construction is expected to begin in the summer of 2007.

Required Supplemental Financial Information

TOWNSHIP OF STANTON
GENERAL FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2007

		Budgeted Amounts			
		Original	Final	Actual	Favorable (Unfavorable)
Revenues:					
Taxes		\$ 56,700	\$ 56,700	\$ 60,444	\$ 3,744
Licenses and permits		1,000	1,000	1,154	154
State grants		93,000	93,000	92,780	(220)
Charges for services		30,000	20,000	16,883	(3,117)
Interest		2,500	2,500	9,586	7,086
Other revenue		2,000	2,000	12,895	10,895
Total Revenues		<u>\$ 185,200</u>	<u>\$ 175,200</u>	<u>\$ 193,742</u>	<u>\$ 18,542</u>
Expenditures:					
Legislative		\$ 44,100	\$ 44,100	\$ 39,818	\$ 4,282
General government		124,100	124,400	85,773	38,627
Public safety		7,600	7,600	7,583	17
Public works		-	-	67	(67)
Recreation and culture		30,400	38,800	29,546	9,254
Total Expenditures		<u>\$ 206,200</u>	<u>\$ 214,900</u>	<u>\$ 162,787</u>	<u>\$ 52,113</u>
Excess of Revenues (Expenditures)		<u>\$ (21,000)</u>	<u>\$ (39,700)</u>	<u>\$ 30,955</u>	<u>\$ 70,655</u>
Other financing sources:					
Operating transfers from other funds		\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues and other sources (Expenditures and other uses)		<u>\$ (21,000)</u>	<u>\$ (39,700)</u>	<u>\$ 30,955</u>	<u>\$ 70,655</u>
Fund balance beginning of year				<u>284,795</u>	
Fund balance end of year				<u>\$ 315,750</u>	

TOWNSHIP OF STANTON
ROAD FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2007

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Current levy	\$ 62,000	\$ 62,000	\$ 63,977	\$ 1,977
Delinquent taxes	-	-	5,370	5,370
State shared revenue	6,000	6,000	5,074	(926)
Interest income	2,000	2,000	8,149	6,149
Total Revenues	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 82,570</u>	<u>\$ 12,570</u>
Expenditures:				
Public Works- Road Signs	\$ 6,300	\$ 6,300	\$ 873	\$ 5,427
Total Expenditures	<u>\$ 6,300</u>	<u>\$ 6,300</u>	<u>\$ 873</u>	<u>\$ 5,427</u>
Excess of Revenues (Expenditures)	<u>\$ 63,700</u>	<u>\$ 63,700</u>	<u>\$ 81,697</u>	<u>\$ 17,997</u>
Other financing sources				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of Revenues and Other sources (Expenditures and other uses)	<u>\$ 63,700</u>	<u>\$ 63,700</u>	<u>\$ 81,697</u>	<u>\$ 17,997</u>
Fund Balance beginning of year			<u>194,913</u>	
Fund Balance end of year			<u>\$ 276,610</u>	

**TOWNSHIP OF STANTON
FIRE FUND
Statement of Revenues, Expenditures and Fund Balances
BUDGET AND ACTUAL
Year Ended March 31, 2007**

		Budgeted Amounts			Favorable (Unfavorable)
		Original	Final	Actual	
Revenues:					
Current levy		\$ 59,500	\$ 59,500	\$ 61,719	\$ 2,219
Delinquent taxes		-	-	5,180	5,180
Charges for services		2,600	2,600	3,014	414
Federal grants		32,000	32,000	32,300	300
State grants		-	-	2,500	2,500
Interest income		500	500	731	231
Miscellaneous		-	-	1,532	1,532
Total Revenues		<u>\$ 94,600</u>	<u>\$ 94,600</u>	<u>\$ 106,976</u>	<u>\$ 12,376</u>
Expenditures:					
Public Safety		\$ 74,900	\$ 74,900	\$ 68,881	\$ 6,019
Debt Services		37,700	37,700	36,801	899
Total Expenditures		<u>\$ 112,600</u>	<u>\$ 112,600</u>	<u>\$ 105,682</u>	<u>\$ 6,918</u>
Excess of Revenues (Expenditures)		<u>\$ (18,000)</u>	<u>\$ (18,000)</u>	<u>\$ 1,294</u>	<u>\$ 19,294</u>
Fund Balance beginning of year				<u>70,767</u>	
Fund Balance end of year				<u>\$ 72,061</u>	

Other Supplemental Information

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF REVENUES
FOR YEAR ENDED MARCH 31, 2007**

General Property Taxes	
Operating tax levy	\$ 40,237
Delinquent tax collection and interest	3,824
Payments in Lieu of Taxes/ other tax payments	3,041
Administrative fees and collections	13,342
Total general property tax	<u>\$ 60,444</u>
License and Permits	<u>\$ 1,154</u>
Intergovernmental Revenue	
State shared taxes	\$ 92,780
State grants	-
Total intergovernmental revenue	<u>\$ 92,780</u>
Charges for Services	
Rents	\$ 6,180
Services	10,703
Total charges for services	<u>\$ 16,883</u>
Fines and Forfeits	<u>\$ -</u>
Interest	<u>\$ 9,586</u>
Other Revenue	
Cemetery lots and burials	\$ 4,880
Donations	5,540
Miscellaneous	2,475
Total other revenue	<u>\$ 12,895</u>
Total Revenue	<u>\$ 193,742</u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2007**

Legislative

Township Board

Personal services, salaries, and wages

Salaries and wages

\$ 2,740

Employee benefits

7,014

Total Personal Services

\$ 9,754

Capital Outlay

\$ -

Other current expenditures

Office supplies

90

Printing and Publishing

222

Insurance

24,511

Dues and memberships

655

Operating supplies

1,160

Telephone

2,510

Miscellaneous

916

Total other current expenditures

\$ 30,064

Total Legislative

\$ 39,818

General Government

Supervisor

Personal services, salaries, and wages

Salaries and wages

\$ 8,650

Other current expenditures

Travel

730

Telephone

-

Postage

-

Miscellaneous

221

Total other current expenditures

\$ 951

Total Supervisor

\$ 9,601

Elections

Personal services, salaries, and wages

Salaries and wages

\$ 5,499

Other current expenditures

Office Supplies

-

Printing and Publishing

104

Miscellaneous

1,697

Total other current expenditures

\$ 1,801

Total Elections

\$ 7,300

Legal/Accounting

Personal services, salaries, and wages

Salaries and wages

\$ -

Other current expenditures

Contracted services

4,750

Miscellaneous

-

Total other current expenditures

\$ 4,750

Total Legal/Accounting

\$ 4,750

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2007**

Assessor/Equalization

Personal services, salaries, and wages	
Salaries and wages	\$ 12,277
Capital Outlay	3,804
Other current expenditures	
Contracted Services	2,407
Operating Supplies	-
Dues and memberships	-
Postage	718
Travel	592
Training	75
Miscellaneous	-
	<u>\$ 3,792</u>
Total other current expenditures	
Total Assessor/Equalization	<u>\$ 19,873</u>

Clerk

Personal services, salaries, and wages	
Salaries and wages	\$ 9,451
Capital Outlay	-
Other current expenditures	
Office Supplies	-
Travel	554
Postage	125
Training	-
Miscellaneous	277
	<u>\$ 956</u>
Total other current expenditures	
Total Clerk	<u>\$ 10,407</u>

Board of Review

Personal services, salaries, and wages	
Salaries and wages	\$ 1,450
Capital Outlay	-
Other current expenditures	
Travel	88
Printing and Publishing	-
Training	198
Miscellaneous	-
	<u>\$ 286</u>
Total other current expenditures	
Total Board of Review	<u>\$ 1,736</u>

Treasurer

Personal services, salaries, and wages	
Salaries and wages	\$ 10,216
Capital Outlay	-
Other current expenditures	
Contracted services	2,767
Travel	886
Telephone	-
Postage	1,677
Training	319
Miscellaneous	-
	<u>\$ 5,649</u>
Total other current expenditures	
Total Treasurer	<u>\$ 15,865</u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2007**

Township Properties		
Personal services, salaries, and wages		
Salaries and wages	\$	367
Capital Outlay		8,000
Other current expenditures		
Utilities		2,887
Repairs and Maintenance		1,447
Miscellaneous		17
		<u>\$ 4,351</u>
Total other current expenditures		
Total Township Properties		<u><u>\$ 12,718</u></u>
Cemetery		
Personal services, salaries, and wages		
Salaries and wages	\$	3,485
Other current expenditures		
Repairs and Maintenance		38
Miscellaneous		-
		<u>\$ 38</u>
Total other current expenditures		
Total Cemetery		<u><u>\$ 3,523</u></u>
Total General Government		<u><u>\$ 85,773</u></u>
Public Safety		
Police Protection		
Personal services, salaries, and wages		
Salaries and wages	\$	300
Other current expenditures		
Travel		-
Miscellaneous		223
		<u>\$ 223</u>
Total other current expenditures		
Total Police Protection		<u><u>\$ 523</u></u>
Fire Protection		
Contracted services	\$	-
		<u>\$ -</u>
Total Fire Protection		<u><u>\$ -</u></u>
Building Inspector		
Personal services, salaries, and wages		
Salaries and wages	\$	7,060
Other current expenditures		
Travel		-
Training		-
Miscellaneous		-
		<u>\$ -</u>
Total other current expenditures		
Total Building Inspector		<u><u>\$ 7,060</u></u>
Total Public Safety		<u><u>\$ 7,583</u></u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2007**

Public Works

Streets and Roads

Personal services, salaries, and wages

Salaries and wages

\$ -

Capital Outlay

-

Other current expenditures

Contracted Services

-

Miscellaneous

67

Total other current expenditures

\$ 67

Total Public Works

\$ 67

Culture and Recreation

Parks and Recreation

Personal services, salaries, and wages

Salaries and wages

\$ 6,580

Capital Outlay

11,589

Other current expenditures

Office Supplies

-

Operating Supplies

1,826

Printing and Publishing

-

Travel

430

Utilities

5,133

Repairs and Maintenance

3,633

Miscellaneous

355

Total other current expenditures

\$ 11,377

Total Culture and Recreation

\$ 29,546

Other Financing users-

Operating transfers out - Other funds

\$ -

Total Expenditures

\$ 162,787

**TOWNSHIP OF STANTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR YEAR ENDED MARCH 31, 2007**

	Current Tax Collection Account			
	Balance			Balance
	March 31, 2006	Additions	Deductions	March 31, 2007
<u>Assets</u>				
Cash in Bank	\$ 53,473	\$ 1,017,767	\$ 1,019,061	\$ 52,179
Total Assets	<u>\$ 53,473</u>	<u>\$ 1,017,767</u>	<u>\$ 1,019,061</u>	<u>\$ 52,179</u>
<u>Liabilities</u>				
Due to Other funds				
General Fund	\$ 4,775	\$ 52,208	\$ 53,660	\$ 3,323
Fire Fund	2,107	59,510	59,546	2,071
Road Fund	2,184	61,698	61,735	2,147
Due to Schools	-	217,342	217,342	-
Due to County	11,369	528,874	528,867	11,376
Due to CCISD	699	65,572	65,572	699
Due to Others	32,339	32,563	32,339	32,563
Total Liabilities	<u>\$ 53,473</u>	<u>\$ 1,017,767</u>	<u>\$ 1,019,061</u>	<u>\$ 52,179</u>

Jutila, Jorgenson and Associates, P.C.

P.O. Box 175
Houghton, Michigan 49931
September 07, 2007

Township Board
Township of Stanton
Houghton, Michigan 49931

Management Letter

In connection with our audit of the general purpose financial statements of the TOWNSHIP OF STANTON, MICHIGAN for the year ended March 31, 2007, the following comment and recommendation concerning accounting procedures and controls in effect in the Township are presented for your consideration

In the fiscal year ended March 31, 2007, we had problems reconciling the Fiduciary Fund. More documentation is needed to support the collections and disbursements. We discussed this with management. Steps are being taken to correct this problem.

This comment has appeared in pervious reports.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the March 31, 2007 financial statements, and this report does not affect our report on the financial statements dated September 07, 2007.

This report is intended solely for the use of management and should not be used for any other purpose. The comment contained herein is submitted as constructive suggestions to assist the Township in strengthening controls and procedures, and is not intended to reflect upon the honesty or integrity of any employee.

We would be happy to discuss any of the comments in this report, and would like to thank the officials and employees of the Township for the courtesy and cooperation shown us during our audit.

Respectfully Submitted,

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.